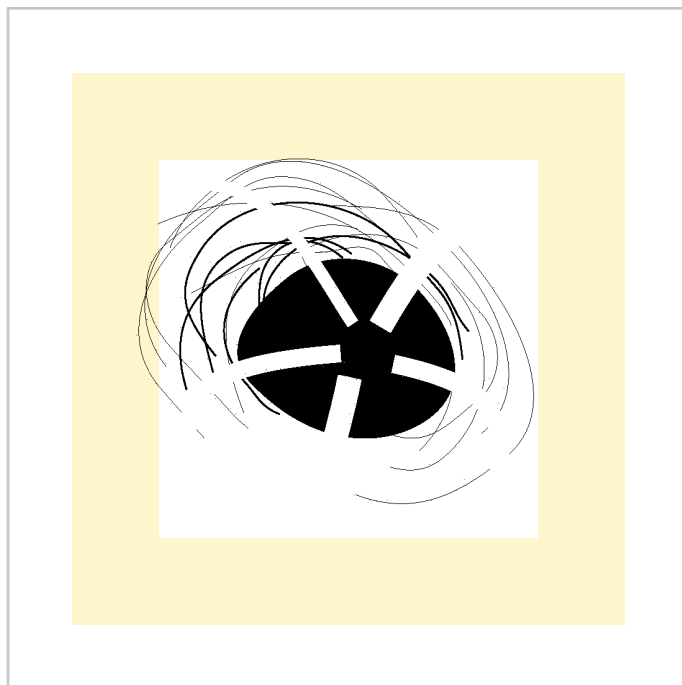


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Social Panorama
OF LATIN AMERICA



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Explanatory notes

The following symbols are used in tables in this edition of the *Social Panorama of Latin America*:

Three dots (...) indicate that data are not available or are not separately reported.

A dash (-) indicates that the amount is nil or negligible.

A point (.) is used to indicate decimals.

Use of a hyphen (-) between years (e.g., 2001-2006) indicates reference to the complete period considered, including the beginning and end years.

The word “tons” means metric tons and the word “dollars” means United States dollars, unless otherwise specified.

References to annual rates of growth or variation signify compound annual rates, unless otherwise specified.

Individual figures and percentages in tables do not necessarily add up to the corresponding totals because of rounding.

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Abstract

Per capita GDP has grown more in 2003–2007 than at any other time since the 1970s. ECLAC projections indicate that this trend will continue in 2008, which will thus be the fifth year in a row in which per capita GDP has risen at over 3% per annum. This increase has made further progress in poverty reduction possible, together with a decline in unemployment. Some countries have seen improvements in income distribution as well. A number of problems persist, however, and Latin America continues to lag behind other regions in various areas. Levels of social and economic inequality remain extremely high. After rising sharply during the past decade, social expenditure—measured as a percentage of GDP—has been levelling off and continues to fall short in terms of the coverage of existing social needs. In addition, migratory flows continue to be spurred by unequal levels of development in various locations and areas within individual countries.

The *Social Panorama of Latin America, 2007* provides the latest poverty estimates available for the countries of Latin America. These estimates indicate that 36.5% of Latin America's population (195 million people) were poor and 13.4% (71 million) were extremely poor.

As noted in the chapter devoted to the subject of poverty, these percentages signal a 3.3% drop in poverty and a 2.0% decrease in extreme poverty, or indigence, from these indicators' 2005 levels. This means that 14 million people escaped from poverty in 2006 and 10 million who had been classified as indigent ceased to be so. As a result, the region is well on track to reaching the first Millennium Development Goal target of halving the 1990 extreme poverty rate by 2015. A portion of the progress made in this respect may be accounted for by changes in family

composition and in household members' participation in the labour market. Countries are therefore urged to develop ways to reconcile care work in the home with gainful employment, increase occupational productivity and improve the targeting of expenditure on the most vulnerable groups.

A preliminary analysis is also undertaken of the problem of residential segregation, which limits opportunities for learning to live with others under circumstances of inequality. This type of segregation can hinder access to employment and education, thereby contributing to the perpetuation of poverty. This is an issue that calls for a thorough-going review of State action in relation to urban land management and social housing.

This chapter concludes with a discussion of the many psycho-social divides separating the most vulnerable groups from those that are economically better off, which militate against social cohesion. It notes that, in order to make progress in overcoming poverty and achieving social cohesion, multidimensional policies are required that include measures for creating opportunities that will provide vulnerable groups with greater expectations of social mobility, give them greater confidence in their country's institutions, and allow them to feel more included and to participate more actively in decision-making processes that influence their quality of life.

In the chapter on social expenditure, the available statistics are examined in the light of the main social policy challenges facing the region. The discussion of this subject underscores the fact that, apart from a few exceptions, public social expenditure has continued to be accorded a high macroeconomic and fiscal priority,

which ensures funding, stability and greater institutional legitimacy for social policy. Despite the greater effort being made to finance social policies (especially in the less developed nations), however, public social spending is still insufficient, and the structure of such expenditure has to constantly be adapted to changing risk profiles and social needs. The way in which it is administered continues to be highly procyclical, although in recent years it has not been any more so than the trend of GDP.

The impact of such expenditure on people's well-being is analysed on the basis of a review of various case studies. These studies indicate that the gradual expansion of coverage increases the progressiveness of spending on education, that the composition of expenditure on health services influences its neutrality from the standpoint of considerations of equity, that the contributory nature of the social security system's funding makes these expenditures regressive, and that social assistance is becoming markedly pro-poor as conditional transfer programmes come into greater and greater use, although they are not entirely free of leakage issues.

This analysis underscores the importance of distinguishing among countries based on the differing phases they have reached in the demographic transition and their labour markets' degree of maturity, and a typology is outlined for use in examining the level and structure of social spending. It is also noted that a far-reaching social contract will be required in order to overcome the challenges facing the region in relation to the allocation of public social expenditure.

The chapter on education reviews the major advances that the region has made in this field since the early 1990s. It looks at how social inequality is manifested in access to education and in the pace at which students progress through the primary, secondary and tertiary levels as well as their completion rates, and concludes that the degree of inequality has diminished in the last 15 years. It notes that there has been a reduction in the differences in terms of passage through formal education systems associated with economic inequalities, gender inequities, areas of residence, ethnic origin and the stock of educational capital in the home. It also points out, however, that, despite the considerable progress made in all areas, the inter-generational transmission of educational opportunities persists, although, for the most part, this process is now being expressed in access to and completion of the last few years of secondary school and, most of all, at the level of higher education.

The quality of education in five Latin American countries is examined on the basis of the findings of the 2000 Programme for International Student Assessment (PISA) test. The main focus of the 2000 PISA test was reading comprehension, and the assessment shows that

a close correlation exists between inequalities in terms of socioeconomic origin and the acquisition of language competencies. It also indicates that educational curricula are lacking in relevance (judging from the poor scores of even the best students) and that the extent of teachers' commitment is a very important factor in the learning process. The chapter also includes a discussion of the markedly segregated nature of the school environment in the region, its association with a highly segmented supply of educational services, and the major differences in performance to which this situation leads. A case is made for the need to redesign educational policy in order to address the problem of social inequality through affirmative action in order to give the poorest students a head start and to improve the quality of the learning process by diminishing the sharp stratification of the countries' educational systems.

The chapter on internal migration notes that 1 out of every 3 Latin Americans lives in a different town from the one in which he or she was born and that nearly 1 in 10 Latin Americans moved to a different town in the last five years of the twentieth century. Migrants are usually younger and have a higher skill level than non-migrants, and they are therefore generally an asset for the host area. Conversely, emigration from the more socioeconomically backward areas within countries (including rural zones, chronically poor areas and ones in which indigenous population clusters are located) erodes their human resource base, thereby hindering their progress and hampering efforts to improve the living conditions of those who remain there (geographical poverty traps). A majority of migrants move from one city to another or within cities. In the case of intra-city migration, residential rather than labour-related factors are more influential.

Policies designed to influence internal migration patterns must address a much more diverse and complex set of factors than they did when rural-to-urban migratory flows predominated. Such policies should be based on a recognition of the right of all persons to freely decide when and where to migrate within a given country. No form of coercion should therefore be used to achieve policy objectives. Instead, differing types of incentives for individuals and businesses should be employed to promote the development of given areas within a country. Indirect action may also be taken through various sorts of social policies (particularly policies on housing, transportation and infrastructure) that may influence migration decisions.

The chapter on the social policy agenda offers an assessment of health policies and programmes designed to benefit the indigenous peoples of Latin America based on 16 countries' responses to a survey conducted by ECLAC on this subject and the findings

of the Workshop-Seminar on Indigenous People in Latin America: Health Policies and Programmes, How Much and How Has Progress Been Made? Both the survey and the seminar, which was held at ECLAC on 25 and 26 June 2007, were conducted as part of a project funded by the Government of France.¹

In the first section of this chapter, emphasis is placed on the existence of minimum standards for the rights of indigenous peoples and on the fact that, although legislative advances have been made in this respect, public policy must do more to ensure the fulfilment of those rights. The discussion covers the persistent structural inequity which puts indigenous people at a disadvantage and which, in the field of health, is manifested in higher morbidity and mortality rates. The evidence also points to more limited access and a failure to ensure the cultural appropriateness of health care services, as well as indigenous peoples' very limited participation and representation in the relevant policies and programmes.

The second section of the chapter discusses the more conducive environment for the design and

implementation of health policies and programmes for indigenous peoples created by health-sector reforms and legislative advances. It notes that most countries are taking action in this connection and describes the widely varying situations to be found in this regard, along with major achievements and problems. Two of the main issues covered by this assessment are the management and participation by indigenous peoples of health policies and programmes and the availability of the information needed to design, implement and evaluate measures taken in this area.

Based on the information presented, a number of recommendations are then offered with a view to improving health policies and programmes for indigenous peoples and to fully enforcing their rights.

The international social agenda provides an overview of major United Nations meetings and agreements on social issues. In this year's edition, this section is devoted to the tenth session of the Regional Conference on Women in Latin America and the Caribbean, held in Quito, Ecuador, from 6 to 9 August 2007.

¹ Project on Advances in Policies and Programmes for Indigenous Peoples of Latin America since the Implementation of the International Decade for Indigenous Peoples, Latin American and Caribbean Demographic Centre (CELADE) - Population Division of ECLAC/Government of France.